



INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

A. FINANCIAL STATEMENT FINDINGS

None.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF EDUCATION, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION, SPECIAL EDUCATION CLUSTER (INCLUDING COVID-19 FUNDING) – FEDERAL ALN 84.027 AND 84.173

2023-004 Internal Control Over Compliance With Federal Suspension and Debarment Requirements

Finding Summary

2 CFR § 180 requires Independent School District No. 283 (the District) to establish and maintain effective internal control over compliance with requirements applicable to federal program expenditures, including suspension and debarment requirements. The District did not have sufficient controls in place within its special education cluster to assure that it was not contracting for goods or services with parties that are suspended or debarred, or whose principals are suspended or debarred from participating in contracts involving the expenditures of federal program funds.

Corrective Action Plan

Actions Planned – The District will review policies and procedures relating to suspension and debarment for its federal programs and will ensure that all parties with which it contracts for goods or services are eligible to participate in contracts involving the expenditures of federal program funding.

Official Responsible – Patricia Magnuson, Director of Business Services.

Planned Completion Date – June 30, 2024.

Disagreement With or Explanation of Finding – The District agrees with this finding.

Plan to Monitor – Patricia Magnuson, Director of Business Services, will assure appropriate controls are in place, and will review internal control procedures relating to suspension and debarment to ensure they are in line with the Uniform Guidance requirements.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and
Summary Schedule of Prior Audit Findings (continued)
Year Ended June 30, 2023

C. MINNESOTA LEGAL COMPLIANCE FINDINGS

2023-001 Collateral

Finding Summary

Minnesota Statutes § 118A.03 requires that if a district's deposits exceed federal deposit insurance coverage, excess deposits must be covered by corporate surety bonds or collateral that has a market value of at least 110 percent of such excess. This requirement was not met for the District's accounts at one date we tested during the fiscal year.

Corrective Action Plan

Actions Planned – The District will review its procedures in place to ensure compliance in the future.

Official Responsible – Patricia Magnuson, Director of Business Services.

Planned Completion Date – June 30, 2024.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Patricia Magnuson, Director of Business Services, will assure appropriate internal controls and procedures are updated and in place for future compliance.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and
Summary Schedule of Prior Audit Findings (continued)
Year Ended June 30, 2023

C. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)

2023-002 Untimely Payment of Invoices

Finding Summary

Minnesota Statutes § 471.425 requires schools to pay each vendor obligation according to the terms of each contract or within 35 days after the receipt of the goods or services or the invoice for the goods or services. If such obligations are not paid within the appropriate time period, a school must pay interest on the unpaid obligations at the rate of 1.5 percent per month or part of a month. For 3 of 40 disbursements selected for testing, the District did not pay the obligations within the required time period and did not pay interest on the unpaid obligations.

Corrective Action Plan

Actions Planned – The District will review payment procedures and will properly pay all invoices within the required 35-day time period and verify compliance with state statutes.

Official Responsible – Patricia Magnuson, Director of Business Services.

Planned Completion Date – June 30, 2024.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Patricia Magnuson, Director of Business Services, will review disbursement check runs to verify they are being paid within the required 35-day time period.

INDEPENDENT SCHOOL DISTRICT NO. 283

Corrective Action Plans and
Summary Schedule of Prior Audit Findings (continued)
Year Ended June 30, 2023

C. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)

2023-003 Contracting and Bid Law Compliance

Finding Summary

Minnesota Statutes require that each contract with an estimated value from \$25,000 to \$175,000, be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. For one purchase tested to which this requirement applied, the District did not follow this process or retain documentation to support that proper procedures were completed.

Corrective Action Plan

Actions Planned – The District will review purchasing procedures and will ensure the District is in compliance with state statutes.

Official Responsible – Patricia Magnuson, Director of Business Services.

Planned Completion Date – June 30, 2024.

Disagreement With or Explanation of Finding – The District is in agreement with this finding.

Plan to Monitor – Patricia Magnuson, Director of Business Services, will review the District's procedures for quotes with district employees responsible for making and approving these purchases.

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE – U.S. DEPARTMENT OF THE TREASURY, PASSED THROUGH MINNESOTA DEPARTMENT OF EDUCATION AND INDEPENDENT SCHOOL DISTRICT NO. 270, HOPKINS, COVID-19 – CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS – FEDERAL ALN 21.027

2022-003 Internal Control Over Compliance With Federal Suspension and Debarment Requirements

Corrective action has been taken on the 2022-003 finding. See finding 2023-004 for a similar finding in a separate major program we tested in the current year.